

ORDINANCE NO. 278

AN ORDINANCE TO ADOPT AND APPROVE
A DEVELOPMENT PLAN
AND A TAX INCREMENT FINANCING PLAN
FOR THE CITY OF BESSEMER
DOWNTOWN DEVELOPMENT DISTRICT
PURSUANT TO THE PROVISIONS OF ACT 197
PUBLIC ACTS OF MICHIGAN OF 1975, AS AMENDED,
AND TO PROVIDE FOR ALL MATTERS RELATED THERETO

THE CITY OF BESSEMER ORDAINS:

SECTION 1. Definitions. The terms used in the Ordinance shall have the following meaning unless the context clearly requires otherwise:

"Act" means Act 197, Public Acts of Michigan of 1975, as amended.

"Base Year Assessment Roll" means the base year assessment roll prepared by the City Assessor in accordance with Section 5 of this Ordinance.

"Captured Assessed Value" means the amount in any one year by which the current assessed value as finally equalized for all taxable property in the Development District exceeds the Initial Assessed Value.

"Development District" shall mean the area legally described in Exhibit A which is hereby made a part of this Ordinance.

"Development Plan" means the "Tax Increment Financing and Development Plan for the City of Bessemer, dated December 1987, transmitted to the City Council by the Bessemer Downtown Development Authority for public hearing, copies of which are on file in the office of the City Clerk.

"Downtown Development Authority (DDA)" or "Authority" means the Bessemer Downtown Development Authority.

"Initial Assessed Value" means the most recently assessed value as finally equalized of all the taxable property within the boundaries of the Development Area at the time of the effective date of this Ordinance.

"Development Fund" means the Downtown Development Authority Development Fund established pursuant to Section 7 of this Ordinance.

"Taxing Jurisdiction" shall mean each unit of government levying an ad valorem property tax on property in the Development District.

SECTION 2. Approval and Adoption of Development Plan Based on the following determinations, the Development Plan is hereby approved and adopted:

(a) The Development Plan and all expenditures therefor constitutes a public purpose.

(b) The Development Plan meets the requirement of Section 17(2) of Act 197, Public Acts of Michigan of 1975, as amended.

(c) The Proposed method of financing the development is feasible, and the Downtown Development Authority has the ability to arrange the necessary financing.

(d) The proposed development is reasonable and necessary to carry out the purposes of the Act.

(e) The land included within the Development Area to be acquired is reasonably necessary to carry out the purposes of the Development Plan and the Act in an efficient and economically satisfactory manner.

(f) The Development Plan is in reasonable accord with the Master Plan of the City of Bessemer.

(g) Public services, such as fire and police protection, and utilities, are adequate to service the project area.

(h) Any changes in zoning, streets, street levels, intersections and utilities proposed are reasonably necessary for the development and for the City of Bessemer.

SECTION 3. Duration of the Plan. The duration of the Plan shall be thirty (30) years from the date of adoption or until such time that all planned improvements are completed, whichever occurs first.

SECTION 4. Boundaries of Development District. The boundaries of the Development District as set forth in the Development Plan are hereby adopted and confirmed.

SECTION 5. Preparation of Base Year Assessment Roll.

(a) Within 60 days of the effective date of this Ordinance, the City Assessor shall prepare the Initial Base Year Assessment Roll. The Initial Base Year Assessment Roll shall list each Taxing Jurisdiction in which the Development District is located, the Initial Assessed Value of the Development District on the effective date of this Ordinance and the amount of tax revenue derived by each Taxing Jurisdiction from ad valorem taxes on the property in the Development District.

(b) The Assessor shall transmit copies of the Initial Base Year Assessment Roll to the City Treasurer, County Treasurer, Downtown Development Authority and each Taxing Jurisdiction, together with a notice that the assessment roll has been prepared in accordance with this Ordinance and the Tax Increment Financing Plan contained in the Development Plan approved by this Ordinance.

SECTION 6. Preparation of Annual Captured Assessment Value Assessment Roll. Each year within 15 days following the final equalization of property in the Development District, the Assessor shall prepare an updated Captured Assessed Value Assessment Roll. The updated Captured Assessment Value Assessment Roll shall show the information required in the initial Base Year Assessment Roll and, in addition, the Captured Assessed Value for that year. Copies of the annual Captured Assessment Value Assessment Roll shall be transmitted by the Assessor to the same persons as the initial Base Year Assessment Roll, together with a notice that it has been prepared in accordance with this Ordinance and the Development Plan.

SECTION 7. Establishment of Development fund; Approval of Depository. The treasurer of the Downtown Development Authority shall establish a separate fund which shall be kept in a depository bank account or accounts in a bank to be designated Downtown Development Authority Development Area Fund. All monies received by the Downtown Development Authority pursuant to the Development Plan shall be deposited in the Development Fund. All monies in that fund and earnings thereon shall be used only in accordance with the Development Plan and this Ordinance.

SECTION 8. Payment of Tax Increments to Downtown Development Authority. The City and County treasurer shall, as ad valorem taxes are collected on the property in the Development District, pay that proportion of the Taxes, except for penalties and collection fees, that constitutes the revenue generated from the Captured Assessed Value to the treasurer of the Downtown Development Authority for deposit in the Development Fund. The payments shall be made on the date or dates on which the City and County treasurers are required to remit taxes to each of the taxing jurisdictions.

SECTION 9. Use of Monies in the Development Fund. The money credited to the Development Fund and on hand therein from time to time shall annually be used in the following manner and following order of priority:

(a) To pay principal, interest and fees for any outstanding bank notes undertaken by the Authority pursuant to the Development Plan.

(b) To reimburse the City for funds advanced to pay the tax increment revenue portion project cost in accordance with the Development Plan.

(c) To pay the cost of completing the public improvements as set forth in the Development Plan, including design, engineering, administration and related expenses.

(d) To pay the cost of replacement/repair of Development Plan improvements as determined necessary by the Authority during the life of the Development Plan.

(e) To pay administrative and operating costs of the Downtown Development Authority to the extent provided in the annual budget of the Authority.

(f) Any tax increment receipts in excess of those needed under the preceding paragraphs shall revert proportionately to the Taxing Jurisdictions.

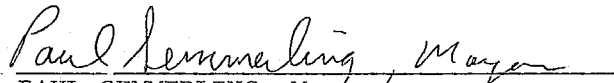
SECTION 10. Annual Report. Within 90 days after the end of the fiscal year, the Downtown Development Authority shall submit to the City Council with copies to each Taxing Jurisdiction, a report on the status of the Development Fund. The report shall include the amount and source of revenue in the account, the amount and purpose of expenditures from the account, the Initial Assessed Value of the Development District, the Captured Assessed Value of the Development District, the tax increments received and the amount of any carryover or surplus from the prior year, and any additional information requested by the City Council or deemed appropriate by the Downtown Development Authority. The secretary of the Downtown Development Authority shall cause a copy of the report to be published once in full in a newspaper of general circulation in the City.

SECTION 11. Downtown Development Authority Budget. The Downtown Development Authority shall annually prepare and submit to the City Council for its approval a budget for the Development Plan activities to be undertaken by the Authority in the ensuing fiscal year. The budget shall be prepared in the manner and contain the information required of municipal departments.

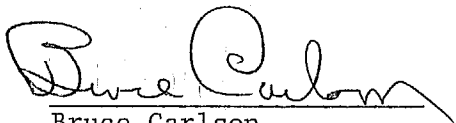
SECTION 12. Annual Audit. An annual financial audit of the Downtown Development Authority shall be conducted according to statutory requirements. Said audit may be carried out as part of the overall general annual audit of municipal operations, and the Authority shall include in its budget an allocation to pay its reasonable prorata share for the cost to the municipality for any handling and auditing of Downtown Development Authority funds.

This Ordinance shall be effective upon its adoption and publication, as required by law.

Adopted and approved by the City Council of the City of Bessemer, Michigan, this 28th day of December, 1987.


PAUL SEMMERLING, Mayor

ATTEST:


Bruce Carlson
City Manager